

# OFFICIAL FILE

I.C.C. DOCKET NO. \_\_\_\_\_

Staff

Exhibit No. 1

STATE OF ILLINOIS

Witness \_\_\_\_\_

ILLINOIS COMMERCE COMMISSION

Date 1/30/22 Reporter \_\_\_\_\_

ILLINOIS BELL TELEPHONE COMPANY (Ameritech Illinois)  
and MCI metro Access Transmission Services, INC.

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02-0039

Joint Petition for Approval of the Negotiated Third  
Amendment to the Interconnection Agreement dated  
December 19, 2001, pursuant to 47 U.S.C. §§ 252

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## VERIFIED STATEMENT OF MELANIE K. PATRICK, Ph.D.

### INTRODUCTION

My name is Melanie K. Patrick, and I am employed by the Illinois Commerce Commission as a Policy Analyst in the Telecommunications Division. I graduated from Carnegie Mellon University in Pittsburgh, PA, with a Bachelor of Science degree in Public Policy and Management in 1986, and with a Master of Science degree in Public Management and Policy in 1987. In 1999, I received the degree of Doctor of Philosophy in Political Science from Brown University in Providence, RI, earning an additional Master of Arts degree from Brown University, also in Political Science, in 1993. Among my duties as a Policy Analyst is to review negotiated agreements and provide a recommendation as to their approval.

### SYNOPSIS OF THE AGREEMENT

The instant agreement between ILLINOIS BELL TELEPHONE COMPANY ("AMERITECH ILLINOIS") and MCI metro Access Transmission Services, INC. ("MCI metro"), dated December 19, 2001 is an amendment to the Interconnection Agreement of May 5, 1997, ICC Docket No. 97-AA-002, between AMERITECH

ILLINOIS and MCImetro. This Amendment specifically modifies the underlying agreement with the addition of an Appendix of Performance Measurements.

This Amendment shall not modify nor extend the effective date or terms of the underlying agreement but, rather, shall be coterminous. The underlying agreement had established the financial and operational terms for: networks on mutual and reciprocal compensation; unbundled access to the network elements controlled by AMERITECH ILLINOIS, including their operations support systems functions; physical collocation; number portability; resale; and a variety of other business relationships.

## **STANDARD OF REVIEW**

The purpose of my verified statement is to examine the agreement based on the standards set forth in section 252(e)(2)(A) of the 1996 Act. Specifically, this section states:

- The State commission may only reject-
- an agreement (or any portion thereof) adopted by negotiation under subsection (a) if it finds that-
  - (i) the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement; or
  - (ii) the implementation of such agreement or portion is not consistent with the public interest, convenience, and necessity.

## **APPROVAL UNDER SECTION 252(e)**

### **A. Discrimination**

The first issue that must be addressed by the Commission in approving or rejecting a negotiated agreement under Section 252(e)(2)(A) is whether it discriminates against a telecommunications carrier that is not a party to the agreement. Discrimination is generally defined as giving preferential treatment to the requesting carrier to the

detriment of a telecommunications carrier that is not a party to the agreement. In previous dockets, Staff has taken the position that in order to determine if a negotiated agreement is discriminatory, the Commission should determine if all similarly situated carriers are allowed to purchase the service under the same terms and conditions as provided in the agreement. I recommend that the Commission use the same approach when evaluating this negotiated agreement.

A carrier should be deemed to be similarly situated to MCImetro for purposes of this agreement if telecommunications traffic is exchanged between such carrier and AMERITECH ILLINOIS for termination on each other's networks and if such carrier imposes costs on AMERITECH ILLINOIS that are no higher than the costs imposed by MCImetro. If a similarly situated carrier is allowed to purchase the service(s) under the same terms and conditions as provided in this contract, then this contract should not be considered discriminatory. Evaluating the term discrimination in this manner is consistent with the economic theory of discrimination. Economic theory defines discrimination as the practice of charging different prices (or the same prices) for various units of a single product when the price differences (or same prices) are not justified by cost. See, Dolan, Edwin G. and David E. Lindsey, Microeconomics, 6th Edition, The Dryden Press, Orlando, FL (1991) at pg. 586. Since Section 252(i) of the 1996 Act allows similarly situated carriers to enter into essentially the same contract, this agreement should not be deemed discriminatory.

I have no reason to conclude that the agreement is discriminatory. Also, Section 252(i) of the 1996 Act allows similarly situated carriers to enter into essentially the same contract.

## **B. Public Interest**

The second issue that must be addressed by the Commission in approving or rejecting a negotiated agreement under Section 252(e)(2)(A) is whether it is contrary to the public interest, convenience, and necessity. I recommend that the Commission examine the agreement on the basis of economic efficiency, equity, past Commission orders, and state and federal law to determine if the agreement is consistent with the public interest.

In previous dockets, Staff took the position that negotiated agreements should be considered economically efficient if the services are priced at or above their Long Run Service Incremental Costs ("LRSICs"). Requiring that a service be priced at or above its LRSIC ensures that the service is not being subsidized and complies with the Commission's pricing policy. All of the services in this agreement are priced at or above their respective LRSICs. Therefore, this agreement should not be considered economically inefficient.

I have no reason to conclude that this agreement is contrary to the public interest and nothing in this agreement leads me to the conclusion that the agreement is inequitable, inconsistent with past Commission Orders, or in violation of state or federal law. Therefore, I recommend that the Commission approve the agreement subject to the implementation requirements of the next section.

## **IMPLEMENTATION**

In order to implement the AMERITECH ILLINOIS-MCImetro agreement, the Commission should require AMERITECH ILLINOIS to, within five (5) days from the date

the agreement is approved, modify its tariffs to reference the negotiated agreement for each service. Such a requirement is consistent with the Commission's Orders in previous negotiated agreement dockets and allows interested parties access to the agreement. The following section of the tariffs maintained by AMERITECH ILLINOIS should reference the AMERITECH ILLINOIS-MCImetro agreement: Agreements with Telecommunications Carriers (ICC No. 21 Section 19.15).

*Furthermore, in order to assure that the implementation of the Agreement is in the public interest, AMERITECH ILLINOIS should implement the agreement by filing a verified statement with the Chief Clerk of the Commission, within five (5) days of approval by the Commission, that the approved Agreement is the same as the Agreement filed in this docket with the verified petition. The Chief Clerk should place the Agreement on the Commission's web site under Interconnection Agreements. Such a requirement is also consistent with the Commission's Orders in previous negotiated agreement dockets.*

For the reasons set forth above, I recommend that the Commission approve the agreement under Section 252(e) of the 1996 Act.

**AMENDMENT  
TO INTERCONNECTION AGREEMENT**

**By and Between**

**AMERITECH ILLINOIS**

**AND**

**MCIMETRO ACCESS TRANSMISSION SERVICES LLC**

The Interconnection Agreement ("the Agreement") by and between Ameritech Illinois ("AMERITECH") and MCImetro Access Transmission Services LLC f/n/a MCImetro Access Transmission Services, Inc. ("MCIm") is hereby amended as follows:

- (1) Addition of Appendix PERFORMANCE MEASUREMENTS
- (2) Table of Contents modified to add additional Appendix
- (3) This Amendment shall not modify or extend the Effective Date or Term of the underlying Agreement, but rather, shall be coterminous with the underlying Agreement.
- (4) This Amendment is intended to supersede and replace Agreement Sections (including all subsections) 3.8, 9.10, 10.9, Schedules 3.8, 9.10 and 10.9. In addition, any provisions related to performance measurements, performance benchmarks, performance breaches, standards of performance, performance activities and all associated remedies, liquidated damages, time frames and reporting periods contained within Schedule 9.5 shall be deleted. EXCEPT AS MODIFIED HEREIN, ALL OTHER TERMS AND CONDITIONS OF THE UNDERLYING AGREEMENT SHALL REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT, and such terms are hereby incorporated by reference and the Parties hereby reaffirm the terms and provisions thereof.
- (5) This Amendment shall be filed with and becomes effective upon approval by the Illinois Commerce Commission ("ICC"). The Performance Measure remedies shall be available based on performance data from the first full month following the Amendment's Effective Date.

IN WITNESS WHEREOF, this Amendment to the Agreement was exchanged in triplicate on this \_\_\_\_\_ day of \_\_\_\_\_, 2001, by Ameritech, signing by and through its duly authorized representative, and MCI, signing by and through its duly authorized representative.

**MCImetro Access Transmission Services,  
LLC**

**SBC Telecommunications, Inc., as agent for  
Ameritech Illinois**

By:

By:

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